

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
FAA AIRCRAFT REGISTRY
P.O. Box 25504
Oklahoma City, Oklahoma 73125
AIRCRAFT SECURITY AGREEMENT

NAME & ADDRESS OF DEBTOR
NAME & ADDRESS OF SECURED PARTY/ASSIGNOR
ASSIGNED/NAME & ADDRESS OF ASSIGNEE

**ABOVE SPACE
FOR FAA USE ONLY**

Date: _____

Complete description of collateral being mortgaged:

AIRCRAFT (FAA registration number, manufacturer, model, and serial number):

NOTICE: ENGINES LESS THAN 750 HORSEPOWER AND PROPELLERS NOT CAPABLE OF ABSORBING 750 OR MORE RATED SHAFT HORSEPOWER ARE NOT ELIGIBLE FOR RECORDING.

ENGINES (manufacturer, model, and serial number):

PROPELLERS (manufacturer, model, and serial number):

SPARE PARTS LOCATIONS (air carrier's name, city, and state):

together with all equipment and accessories attached thereto or used in connection therewith, including engines of _____ horsepower, or the equivalent, and propellers capable of absorbing _____ rated takeoff shaft horsepower, described above, all of which are included in the term aircraft as used herein.

The above described aircraft is hereby mortgaged to the secured party for the purpose of securing in the order named:

FIRST: The payment of all indebtedness evidenced by and according to the terms of that certain promissory note, hereinbelow described, and all renewals and extensions thereof.

Note bearing date of _____, 19____ executed by the debtor and payable to the order of _____ in the aggregate sum of \$_____ with interest thereon at the rate of _____ per centum per annum, from date, payable in installments as follows: The principal and interest of said note is payable in _____ installments of \$_____ each on the _____ day of each successive month beginning with the _____ day of _____, 19 _____. The last payment of \$_____ is due on the _____ day of _____, 19_____.

SECOND: The prompt and faithful discharge and performance of each agreement of the debtor herein contained made with or for the benefit of the secured party in connection with the indebtedness to secure which this instrument is executed, and the repayment of any sums expended or advanced by the secured party for the maintenance or preservation of the property mortgaged hereby or in enforcing his rights hereunder.

Said debtor hereby declares and hereby warrants to the said secured party that he is the absolute owner of the legal and beneficial title to the said aircraft and in possession thereof, and that the same is free and clear of all liens, encumbrances, and adverse claims whatsoever, except as follows: (If no liens other than this mortgage, indicate "none".)

It is the intention of the parties to deliver this instrument in the state of _____.

Provided, however, that if the debtor, his heirs, administrators, successors, or assigns shall pay said note and the interest thereon in accordance with the terms thereof and shall keep and perform all and singular the terms, covenants, and agreements in this security agreement, then this security agreement shall be null and void.

Time is of the essence of this security agreement. It is hereby agreed that, if default be made in the payment of any part of the principal or interest of the promissory note secured hereby at the time and in the manner therein specified, or if any breach be made of any obligation or promise of the debtor herein contained or secured hereby, or if any or all of the property covered hereby be hereafter sold, leased, transferred, mortgaged, or otherwise encumbered without the written consent of the secured party first had and obtained, or in the event of the seizure of the aircraft under execution or other legal process, or if for any other reason the secured party may deem himself insecure, then the whole principal sum unpaid upon said promissory note, with the interest accrued thereon, or advanced under the terms of this security agreement, or secured thereby, and the interest thereon, shall immediately become due and payable at the option of the secured party.

Upon default, secured party may at once proceed to foreclose this mortgage in any manner provided by law, or he may at his option, and he is hereby empowered so to do, with or without foreclosure action, enter upon the premises where the said aircraft may be and take possession thereof; and remove and sell and dispose of the same at public or private sale, and from the proceeds of such sale retain all costs and charges incurred by him in the taking or sale of said aircraft, including any reasonable attorney's fees incurred; also all sums due him on said promissory note, under any provisions thereof, or advanced under the terms of this security agreement, and interest thereon, or due or owing to the said secured party, under any provisions of this security agreement, or secured hereby, with the interest thereon, and any surplus of such proceeds remaining shall be paid to the debtor, or whoever may be lawfully entitled to receive the same. If a deficiency occurs, the debtor agrees to pay such deficiency forthwith.

Said secured party or his agent may bid and purchase at any sale made under this mortgage or herein authorized, or at any sale made upon foreclosure of this mortgage.

In witness whereof, the debtor has hereunto set _____ hand and seal on the day and year first above written.

ACKNOWLEDGMENT:

(If required by applicable local law)

NAME OF DEBTOR _____

SIGNATURE(S) (IN INK) _____

(If executed for co-ownership, all must sign)

TITLE _____

(If signed for a corporation, partnership, owner, or agent)

ASSIGNMENT BY SECURED PARTY

For value received, the undersigned secured party does hereby sell, assign, and transfer all his right, title, and interest in and to the foregoing note and security agreement and the aircraft covered thereby, unto the assignee named on the face of this instrument at the address given, and hereby authorizes the said assignee to do every act and thing necessary to collect and discharge the same. The undersigned secured party warrants and agrees to defend the title of said aircraft hereby conveyed against all lawful claims and demands except the rights of the maker. The undersigned secured party warrants that he is the owner of a valid security interest in the said aircraft. (A Guaranty Clause or any other provisions which the parties are desirous of making part of this assignment should be included in the following space.)

Dated this _____ day of _____, 19____.

ACKNOWLEDGMENT:

(If required by applicable local law)

NAME OF SECURED PARTY (ASSIGNOR) _____

SIGNATURE(S) (IN INK) _____

(If executed for co-ownership, all must sign)

TITLE _____

(If signed for a corporation, partnership, owner, or agent)

THIS FORM IS ONLY INTENDED TO BE A SUGGESTED FORM OF SECURITY AGREEMENT WHICH MEETS THE RECORDING REQUIREMENTS OF THE FEDERAL AVIATION ACT OF 1958, AND THE REGULATIONS ISSUED THEREUNDER. IN ADDITION TO THESE REQUIREMENTS, THE FORM OF SECURITY AGREEMENT SHOULD BE DRAFTED IN ACCORDANCE WITH THE PERTINENT PROVISIONS OF LOCAL STATUTES AND OTHER APPLICABLE FEDERAL STATUTES. THIS FORM MAY BE REPRODUCED.

SEND, WITH APPROPRIATE FEE, TO: FAA AIRCRAFT REGISTRY
P. O. BOX 25504
Oklahoma City, Oklahoma 73125